



Senator Connie Lawson

200 W. Washington St.
Indianapolis, IN 46204

News from the Indiana State Senate

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News from the Indiana State Senate

CollegeChoice Program Provides Financial Options for Families

For children, fall marks the beginning of the school year. For many parents, it brings the stark reality of college and its subsequent costs one year closer to fruition. With tuition prices skyrocketing, the dream of college can quickly turn into a nightmare. The state of Indiana now provides parents with a tool to help finance their children's higher education and gain extra tax benefits as a result.

Since 1997, CollegeChoice allows anyone over age 18 to contribute money into a group investment portfolio made up of a strategic mix of stocks, bonds and money market funds. The program provides contributors with an easy, hands-off way to save for college. Once enrolled, a team of experienced professionals manage the portfolio in order to maximize investment growth.

Individuals can establish an account with just \$50 per portfolio and \$25 subsequent monthly installments until contributions reach \$236,750. No enrollment or application fee exists. The enrollee can name any person as a

beneficiary regardless of age and the beneficiary can change at the enrollee's discretion.

Additionally, the investment grows tax-deferred and remains exempt from federal taxes if used for qualified higher education expenses. Whether public or private, the funds can be used at any eligible accredited post-secondary school, including graduate and vocational-technical schools.

Assuming only a 5 percent annual price increase, experts estimate that parents can expect to pay \$143,000 to put a child born today through four years of in-state public college and about \$306,000 for a private college. This sobering statistic highlights the importance of saving for college early. CollegeChoice offers individuals a useful tool to make sure college remains a dream, not a nightmare.

For more information

www.collegechoiceplan.com
or call 1-866-400-PLAN (7526)

2-1-1 Telephone Program New to Indiana

We are living in an age where information is as close as a click of a mouse button. In the past few years, there has been a dramatic increase in the number of agencies and help centers available to answer problems we citizens may encounter. Despite this abundance of information, it is difficult to know where to turn for specific questions. With the introduction of a new and free telephone service, help is now a short phone call away.

2-1-1 is a new service that provides immediate access to every certified social service agency and non-profit organization in the state of Indiana. 2-1-1 offers information on health insurance programs, support groups, home health care, after school programs, protective services, and volunteer opportunities.

Currently 20 counties are using 2-1-1 and

legislation has been authored to establish the program throughout Indiana. House Enrolled Act 1344 requests absolutely no state money, while creating an account for future funds. The Cinergy Foundation, funded by Cinergy shareholders, has pledged over \$600,000 to help fund this program over the next three years.

2-1-1 works in the same way that 9-1-1 operates for emergencies and 4-1-1 works for general information. The goal is to have this service available 24 hours per day, 7 days per week. The State will continue to work diligently with the Indiana 211 Partnership to develop this service statewide.

HEA 1344 passed the full Senate and House and was signed the governor in March. For more information, please visit the web at www.in211.org.

Indiana Farms

..... Are They In Jeopardy?

Indiana loses approximately 100,000 acres of farmland a year to the growth and development of subdivided neighborhoods. Hamilton and Johnson Counties have seen the most urban growth in recent years and because of that, family farms are being forced to sell out to developers.

According to the Indiana Agricultural Statistics Services at Purdue University, the majority of farm loss occurred in mid-size farms and operations, which annually generate between \$10,000 and \$100,000 per farm.

Smaller and larger farms are either growing or have been profitable enough to continue their operations. This same research has found that commercial farms are consistently large enough to produce a positive return and those who own smaller farms are not living solely off of the crop revenue.

Lawmakers have tried to step in and help prevent Indiana from losing more farms. In the 2004 legislative session, I supported a measure that would encourage the preservation of farmland.

Senate Bill 362 would have allowed the Indiana Land Resource Council to work with local area planning departments to offer farmers and land owners compensation for voluntarily selling easements to restrict the land from developments. SB 362 passed the Senate but did not pass the House of Representatives because of time constraints.

Farmland has been and will continue to be the foundation for Indiana's largest industry. We must work together to save this precious land and Indiana's heritage.



Consumer Information

Unclaimed Property

The Attorney General reports thousands of unclaimed property listings all across the state of Indiana. Some possible sources of unclaimed property are: credit balances, old savings and checking accounts, unpaid wages, mutual fund shares, insurance proceeds, uncashed traveler's checks, and utility deposits.

You can contact the Indiana Attorney General's office to see if you or a relative has a claim. Visit www.indianaunclaimed.com or call, toll-free, **1-866-IN-CLAIM** (1-866-462-5246).

Unwanted Faxes

Contact the Federal Communications Commission to report any unsolicited faxes. You can file a formal complaint at www.fcc.gov/cgb/complaints.html or call, toll-free, **1-888-225-5322**.

Direct Mail Lists

Tired of receiving advertising through the mail? Remove your name from direct mail lists by visiting www.dmaconsumers.org or write to:

Mail Preference Service
Attn: Dept 12851374
Direct Marketing Association
PO Box 282
Carmel, NY 10512

National No-Call List

Indiana led the way with the creation of a no-call registry. Federal legislators followed suit by creating a national do not call list. Consumers now can list both home and mobile phone numbers in order to prevent unsolicited telemarketing calls. To register your phone number on the national list, visit www.donotcall.gov. Additions to the list are updated every three months.

Protect Yourself from Identity Theft



On an average day, someone may pay for gas at the pump, write a check at the grocery store or purchase some merchandise online without giving a second thought to these transactions; however, these seemingly innocent tasks could leave an individual vulnerable to a new breed of robbery.

Identity theft is quickly becoming the most prevalent and costly crime in the nation. Researchers estimate that criminals steal more than 600,000 victims' identities each year, costing consumers and the financial industry billions of dollars.

In 2003, the General Assembly passed legislation strengthening Indiana's identity theft law by protecting not only a person's Social Security number, but also his or her address, phone number, place of employment, employer's identification number and his or her mother's maiden name. The law also includes provisions to help victims untangle the damage incurred on their credit history by an identity thief.

Often, consumers are not aware that their identities have been stolen. Each of us can help protect our information by being

cautious. If you would like more information, please contact the Consumer Protection Division in the Indiana Attorney General's office, toll-free, at 1-800-382-5516 or visit www.in.gov/attorneygeneral.

Reduce the chances of identity theft in your everyday life:

- Monitor the balances of your financial accounts and look for unexplained charges or withdrawals
- Track your mail. Failing to receive bills or other mail may signal an address change by an identity thief, as does receiving credit cards for which you did not apply
- Order a copy of your credit reports. Federal law will soon allow consumers to get one free credit report per year
- Guard your Social Security number. Give it out only when absolutely necessary
- Invest in a cross-cutting paper shredder. Destroy credit card applications, checks, receipts, insurance documents and anything with your identifying information.

HoosierRx Program Discounts Prescription Drugs for Low-Income Senior Citizens

America leads the world in pushing the bounds of science to bring new prescription drugs to the market, resulting in lives saved and an increased quality of life. There are high costs involved in bringing these drugs to the open market. Part of that price tag is passed on to the consumer, which causes patients who do not have drug coverage to suffer financially. As a relief to those patients, some new programs have been established to help with the costs of prescription drugs.

The U.S. government has launched a new drug discount card that will provide immediate financial relief to seniors. This program, which took effect on June 1, allows recipients to choose a discount card program that best suits their needs. Medicare will be providing reliable and accessible information. Anyone who is enrolled in Medicare Part A or Part B

and not receiving Medicare benefits is eligible for the discount drug card program. For more information or to become enrolled, you may call **1-800-MEDICARE** (1-800-633-4227) or visit the Medicare website at www.medicare.gov.

HoosierRx is a state program that helps to shift the cost of prescription drugs away from low-income seniors. HoosierRx was enacted four years ago by the General Assembly and allows seniors who qualify to receive a 75 percent discount on the cost of medications. This program will be coordinated with the Medicare discount drug card to maximize savings. Low-income seniors can sign up for the HoosierRx Drug Card by calling, toll-free, **1-866-267-4679** or by visiting www.in.gov/HoosierRx. Local pharmacies will also have applications.



State Faces Tough Budget Decisions in 2005

Indiana Personal Income Lags the Nation

On July 12, the state closed the books for Fiscal Year 2004. According to official figures released by the State Budget Agency, the state is expected to have a "surplus" or "reserve" of just \$300 million on June 30, 2005 – the close of the current budget cycle. As shown on **Figure 1**, this means the state's reserve will have declined by nearly \$2 billion since 1998.

The problem is that state spending has been exceeding state revenues for the past several years. State revenue collections actually decreased in both Fiscal Years 2001 and 2002 before showing a 0.5 percent increase in 2003. Revenue collections increased by about 2.7 percent for Fiscal Year 2004, the year that just ended.

In order to avoid big spending cuts in education and health care, the state has been using the surplus and employing spending delays and other temporary solutions. While there is nothing inherently wrong with these accounting measures – they have helped the state avoid big spending cuts in our schools - these measures are only one-time temporary fixes and cannot be sustained. So, while it may seem like Indiana's economy is improving, the state's financial condition actually remains very weak.

A \$300 million reserve sounds like a lot of money. But with an annual \$11.2 billion General Fund Budget, including big items

such as \$4.3 billion for K-12 education, \$2.1 billion for local property tax relief, \$1.4 billion for universities and \$1.2 billion for Medicaid, \$300 million really is not a sufficient reserve. In fact, the State Budget spends more than \$30 million per day every day of the year. A \$300 million reserve barely funds 10 days of expenses.

The root of Indiana's budget problems is slow revenue growth. Part of the problem is job loss due to the recession. But the real problem is that Indiana lags the nation in personal income growth. As reflected in **Figure 2**, the problem has steadily grown since 1996. Today, the average Hoosier worker earns only about 91 cents for every \$1.00 earned by the average worker nationwide. Just as Hoosier workers earn less, state tax revenues lag as well. Indiana needs to improve its economy relative to the nation or Indiana's budget – and the ability to adequately fund priorities like education and health care - will remain a problem.

Beginning in January, the General Assembly will start work on the state budget for the next biennium. Much of the discussion will center on adequate funding for education and health care. But, it is equally important to continue to try to find ways to diversify the economy and stimulate business investment as the real long term solution to the state's budget dilemma.



SNAPSHOT: Senator Lawson responds to citizens' letters at her desk during a session day. The next legislative session will convene in early January 2005.

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We must find ways to diversify the economy and stimulate business investment and job growth.

